

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:3537

ANSWERED ON:21.12.2015

Sugar Subsidy at WTO

Bhamre Dr. Subhash Ramrao

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- a) whether several countries have raised the issue of subsidy in sugar offered by the Government at World Trade Organisation (WTO) meeting as the payment increases the competitiveness of Indian sugar in international market and impact prices;
- b) if so, the details thereof;
- c) whether the Government proposes to extend the export subsidy for sugar till the end of the sugar season in September;
- d) if so, whether this is likely to attract penal action from WTO; and
- e) if so, the steps taken by the Government to tackle this situation?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)  
(SMT. NIRMALA SITHARAMAN)

(a) & (b) The issue has been raised by some countries at the meetings of the Committee on Agriculture of the World Trade Organization during the year 2014 -15. These countries sought information on various aspects of the scheme, including the WTO compatibility of the measure taken.

(c) The scheme is available upto 30th September 2015.

(d) & (e) India has been questioned in the WTO's Committee on Agriculture but no penal action has been initiated. India explained in the WTO that the aim of the government intervention is to facilitate payments of outstanding arrears to farmers by the sugar mills and product diversification by incentivizing raw sugar production.

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